

**IOWA FINANCE AUTHORITY  
BOARD MEETING MINUTES**

**Iowa Hospital Association Education Center  
100 E. Grand Avenue, First Floor  
Des Moines, Iowa**

**July 12, 2006**

**BOARD MEMBERS PRESENT**

Vincent Lintz  
Carmela Brown  
Steve Adams (Via Telephone)  
Virginia Bordwell

Roger Caudron  
Heather Kramer  
Douglas Walter (Via Telephone)  
Dick Wright

**STAFF MEMBERS PRESENT**

Bret Mills, Executive Director  
Lori Beary, Community Development Director  
Mickey Carlson, Single Family Program Manager  
Donna Davis, Deputy Director of Housing Programs  
Dennis Dietz, Director of Policy & Affairs  
Glenda Gaumer, Senior Housing Compliance Specialist  
Shawna Lode, Communications Director  
Lloyd Ogle, Director of Title Guaranty Division

Carla Pope, Service Enriched Housing  
Coordinator  
Callie Sheil, Secretary  
James Smith, Deputy Director/ CFO  
Mark Thompson, General Counsel  
Tim Waddell, Low-income Housing Tax  
Credit Manager  
Nancy Wallis, Administrative Assistant

**OTHERS PRESENT**

Kristi Boyce – Wells Fargo Bank Iowa  
Krista Bowersox – Dept. of Housing & Urban Development  
Dana Bunting – Goldman, Sachs  
Pam Carmichael – HOME, Inc.  
Al Colet – Dept. of Economic Development  
Jim Conlin – Conlin Properties  
Keith Denner – Professional Property Management, Inc.  
Joni DeVries – Wells Fargo Bank Iowa, NA  
Bob Foggio – Goldman, Sachs  
Dan Garrett – Iowa Equity Fund  
Donna Grgrich – Dept. of Economic Development

David Grossklaus – Dorsey & Whitney  
Jina Lily – State Treasurer's Office  
Sheila Lumley – Polk County Housing  
Trust Fund  
Joe O'Hearn – Fannie Mae  
Bill Reinke – HOUSES, Inc.  
Lisa Rosenmeyer – Professional Property  
Management, Inc.  
Kristin Saddoris – Conlin Properties

**CALL TO ORDER**

Chair Lintz called to order the July 12, 2006, regular meeting of the Iowa Finance Authority (IFA) Board of Directors at 11:18 a.m. Roll call was taken and a quorum was established with the following members present: Lintz, Brown, Adams, Bordwell, Caudron, Kramer, Walter and Wright.

## **REVIEW AND APPROVAL OF MINUTES**

### **June 7, 2006**

Chair Lintz introduced the minutes of the June 7, 2006, regular meeting of the IFA Board of Directors.

MOTION: On a motion made by Mr. Roger Caudron and a second by Mr. Dick Wright, the Board unanimously approved the minutes of the June 7, 2006, Board of Directors meeting with the correction of Board member Steven Adams listed as present in attendance.

## **ADMINISTRATION / MANAGEMENT REPORT**

Mr. Bret Mills mentioned the removal of the Resolution to approve the revised Compliance Manual from the agenda.

He stated that Ms. Mickey Carlson and her team did a phenomenal job with the FirstHome program breaking a record high with over \$220,000,000 in FirstHome loans.

He mentioned that the Iowa Department of Economic Development and Fannie Mae have agreed to participate with funding the housing study update that Dr. Heather McDonald is scheduled to start. This year it will include an economic impact assessment of housing in Iowa. He mentioned that IFA wants to use this tool to demonstrate the importance of housing across the state.

Mr. Dick Wright asked if Mr. Mills could provide a summary of the total cost of this two part study.

Mr. Mills stated that he is trying to get together with another party to see if they are interested in participating and will include the cost in his August summary to the Board.

Mr. Mills gave a few acknowledgements to the IFA IT department and the TGD staff for all of the time they have put in to develop and deliver a web based tool for the TGD program. He then congratulated the following Golden Dome Award Nominees: Mr. Tim Waddell for leader of the year; Ms. Judy Hartman for employee of the year and Mr. Lyle Schwery for volunteer of the year.

## **LEGAL / REGULATORY**

### **Adopted & Filed Rescission of Ch. 15 (Housing Assistance Fund)**

Mr. Mark Thompson stated that IFA amends its administrative rules by rescinding chapter 15, "Housing Assistance Fund" ("HAF") of the Iowa Administrative Code. All assets held in the housing assistance fund are to be transferred to the housing trust fund created pursuant to Iowa Code, effectively terminating the HAF program and rendering the rules of chapter 15 unnecessary.

MOTION: On a motion by Ms. Carmela Brown and a second by Ms. Virginia Bordwell, the Board unanimously approved the Adopted & Filed Rescission of Ch. 15 (Housing Assistance Fund).

**2006 Compliance Manual Notice of Intended Action**

Mr. Thompson introduced the Notice of Intended Action to amend Chapter 12, “Low-Income Housing Tax Credits,” Iowa Administrative Code. These amendments replace the current compliance manual for all low-income housing tax credit projects monitored by IFA for compliance with IRC Section 42.

Mr. Roger Caudron asked for Mr. Waddell and Ms. Glenda Gaumer to hold a small group session to look over the Compliance Manual before the Public Hearing is held.

Ms. Bordwell stated that she felt comments should be given during the public comment period during the public hearing.

Mr. Vince Lintz asked Ms. Callie Sheil to forward all comments received in regards to the Compliance Manual to the Board.

MOTION: On a motion made by Ms. Bordwell and a second by Ms. Heather Kramer, the Board unanimously approved the Notice of Intended Action for the 2006 Compliance Manual.

MOTION: A motion was made by Ms. Bordwell to review the Compliance Manual in two years and prior to the Notice of Intended Action have a work group to discuss the Compliance Manual at that time. Seconded by Mr. Caudron, the Board unanimously approved the motion.

**Notice of Intended Action to Amend Ch. 21 (Home & Community-Based Services Revolving Loan Program)**

Ms. Carla Pope introduced the Notice of Intended Action to Amend Chapter 21. The purpose of these amendments is to reflect amendments to Iowa Code section 16.183 made by 2006 Iowa Acts, House File 2734, section 34, which adds health and wellness, health screening, and nutritional assessments to the specific community-based services revolving loan program with respect to each of the added program areas.

MOTION: On a motion by Mr. Caudron and a second by Ms. Brown, the Board unanimously approved the Notice of Intended Action to Amend Ch. 21 (Home & Community-Based Services Revolving Loan Program).

**Notice of Intended Action to Amend Ch. 9 (Title Guaranty Division (TGD))**

Mr. Loyd Ogle introduced the Notice of Intended Action to Amend Ch. 9 (Title Guaranty Division). The purpose of these amendments is to establish procedures and requirements for closing protection letters and to establish procedures for suspension of termination of division participants. Rule 265-9.22 is added to implement Iowa Code Section 16.93 which authorizes the issuance of closing protection letters. Rule 265-9.23 is added to

allow the division Board, and in some cases, the division director, to suspend or terminate a participant's rights as a participating attorney, abstractor, or division closer.

MOTION: On a motion by Mr. Steve Adams and a second by Mr. Doug Walter, the Board unanimously approved the Notice of Intended Action to Amend Ch. 9 (Title Guaranty Division).

## **FINANCE AND ACCOUNTING**

### **Finance Update**

In the absence of Mr. Steve Harvey, Mr. James Smith presented the finance update to the Board. He referred to the report given in the Board packet and mentioned that the year end financials are favorable to budget and that IFA's year to date expenses are above budget.

### **Approval of May 2006, Financial Statement**

MOTION: On a motion by Mr. Wright and a second by Mr. Adams, the Board unanimously approved the May 2006, Financial Statement.

## **ECONOMIC DEVELOPMENT LOAN PROGRAM**

### **Public Hearing for CCVI Project**

Chair Lintz opened the public hearing at 11:50 a.m. regarding the issuance of an amount not to exceed \$13,695,000 of IFA's Multifamily Housing Revenue Bonds for the CCVI, LLC Project in West Des Moines. The bonds will be used for the acquisition and rehabilitation of a 294-unit apartment complex at 1200 Office Park Road. This inducement resolution was adopted at the September 7, 2005, Board meeting. There being no verbal or written comments from the audience, Chair Lintz closed the public hearing at 11:52 a.m.

### **Public Hearing for Sweetman Construction Company Project**

Chair Lintz opened the public hearing at 11:53 a.m. regarding the issuance of an amount not to exceed \$1,300,000 of IFA's Manufacturing Facility Revenue Bonds for Sweetman Construction Company in Rock Valley and Sioux City. The bonds will be used to purchase and renovate a concrete block manufacturing facility. This project will not require Private Activity Bond Cap. The inducement resolution was adopted at the May 3, 2006, Board meeting. There being no verbal or written comments from the audience, Chair Lintz closed the public hearing at 11:55 a.m.

### **Ed Loan #06-12A, Northcrest Project**

Ms. Lori Beary introduced an application for \$10,000,000 of IFA's Revenue and Revenue Refunding Bonds for the Northcrest Project in Ames. The bonds will be used to construct ten independent living townhomes, improvements to the existing campus and refunding 1999 bonds. This project will not require Private Activity Bond Cap.

MOTION: On a motion by Ms. Bordwell and a second by Ms. Kramer, the Board unanimously approved Resolution #06-12A, Northcrest Project.

**State Revolving Fund Program**

**Planning & Design Loan Resolution**

Ms. Beary introduced a resolution to approve Planning and Design loans for the cities of Marengo, Sherrill and Bondurant. These loans will be at zero percent interest for up to three years. The funds are used for the planning and design phases of a drinking water infrastructure project. The total for these projects is \$1,385,000. With the adoption of this resolution, IFA has approved Planning and Design loans totaling \$8,159,325 for 41 projects.

MOTION: On a motion by Mr. Caudron and a second by Mr. Wright, the Board unanimously approved the Planning and Design Loan Resolution.

**Non Point Source Loan for the Clear Lake Improvement Project Resolution**

Ms. Beary introduced a resolution approving participations for loans to the City of Clear Lake, Cerro Gordo County and the City of Ventura. Clear Lake Bank and Trust will originate loans in amounts not to exceed \$2,000,000 for the City of Clear Lake, \$1,000,000 for Cerro Gordo County and \$2,000,000 for the City of Ventura. The proceeds will be used for the Clear Lake Improvement Project. This is a multiyear project to dredge the west end of Clear Lake, known as the "Little Lake". In addition to the funds from the local jurisdictions, the Iowa General Assembly appropriated \$4,000,000 in FY07 with the intention of additional appropriations of \$2,500,000 in FY08 and FY09. The total cost of the project is estimated to be approximately \$12.6 million.

MOTION: On a motion by Mr. Adams and a second by Ms. Bordwell, the Board unanimously approved the Non Point Source Loan for the Clear Lake Improvement Project Resolution.

**HOUSING PROGRAMS**

**Resolution Re: Loan to Humboldt County Housing Development Corporation**

Mr. Smith introduced the Resolution for a loan to Humboldt County Housing Development Corporation (HCHDC), with the terms and conditions that the loan will be funded from the Single-Family General Bond Resolution. The loan amount of \$230,000 is within the FirstHome purchase price guidelines. A marketing preference will be given to families meeting IFA income limits. Maturity of three years or due upon sale of the house, the interest rate will be at three percent. Interest only payments required for the first two years, payable semi-annually and the loan is secured by a first mortgage on real property where home was constructed.

Chair Lintz stated that he did not feel that approving this resolution was appropriate at this time. His concern is that the house is considered above affordable income. He also mentioned that they can always reevaluate the resolution and bring it back to the Board at another time.

Ms. Carlson stated that the students would like to have more experience. Before the appraisal they thought the house would be around \$250,000 and after the appraisal it turned out to be \$230,000.

Mr. Adams asked Ms. Carlson if there are any incentives.

Ms. Carlson stated that she did not happen to know at that time if they were willing to provide some sort of subsidy.

MOTION: On a motion by Mr. Caudron to deny the resolution as stated and a second by Mr. Wright, the Board unanimously approved the denial of the Resolution Re: Loan to Humboldt County Housing Development Corporation.

**Resolution Re: Loan to HOME, Inc.**

Mr. Smith introduced the resolution to approve a loan to HOME, Inc. in the amount of \$500,000 for funding the acquisition, rehabilitation and financing of homes to be sold to low-income households. Director of HOME, Inc., Pam Carmichael presented this request to the Credit/Program Review Committee in June.

MOTION: On a motion made by Mr. Walter and a second by Mr. Caudron, the Board unanimously approved the Resolution Re: Loan to HOME, Inc.

**TITLE GUARANTY DIVISION (TGD)**

Mr. Ogle referred to the material in the Board packet and mentioned that the switch over in software has been smooth and will save over \$100,000 annually with the new software change.

**POLICY / LEGISLATION**

Mr. Dennis Dietz referred to the material in the Board packet and mentioned that the State Local Housing Trust Fund Advocates meet on July 13, 2006.

**COMMUNICATIONS**

Ms. Shawna Lode passed out the Housing Conference Registration to the Board as well as the August Board meeting Invitations and referred to the material included in the Board packet.

**MISCELLANEOUS ITEMS**

**Receive Comments from General Public**

Chair Lintz opened the public comment period and asked if anyone in the audience would like to address the Board.

Mr. Jim Conlin of Conlin Properties mentioned that there should be time allowed for discussion at the end of the public hearing for the Low-Income Housing Tax Credit Qualified Allocation Plan (QAP).

Mr. Keith Denner of Property Management thanked IFA for their consideration to the QAP and updated the Board on the new rules for Tax Credits by the IRS.

There being no additional audience members wishing to address the Board, Chair Lintz closed the public comment period.

### **ADJOURNMENT**

There being no further business, on a motion by Mr. Caudron and a second by Mr. Adams, the July 12, 2006, meeting of the IFA Board of Directors adjourned at 1:05 p.m.

Dated this 2<sup>nd</sup> day of August, 2006.

Respectfully submitted:

Approved as to form:

Bret L. Mills  
Executive Director  
Iowa Finance Authority

Vincent Lintz, Chair  
Iowa Finance Authority